



# **Facilities Officers Workshop**

## **Competitive Sourcing (A-76)**

**7 May 2008**  
**Mr. Ken Lentz**  
**HQMC (LR)**



# Briefing Outline

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- **A-76/Competitive Sourcing Overview**
  - **NDAA FY08 changes to A-76 Program**
  - **DoD Guidance**
  - **USMC Benefits**
- **A-76 Perspective**
- **Key Areas**
- **Future Program Status**
- **What I Need to Know?**



# Retirement & Health Care

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- **DoD Has Competed and Won Over 85% of Competitions**
- **FY08 NDAA**
  - Requires that contractors cannot receive and advantage due to retirement and health care being provided which is less than the government
  - Together that is nearly 32% of labor
  - Therefore costs are collected and bids adjusted up (if needed to equal 32%)
- **Result - Unknown**
- **Speculation - These Contractor Costs Are Significantly Lower Than 32%, Therefore:**
  - Awards to contractors will disappear
  - Contractors will stop competing
  - Agency Tender costs will increase



# A-76 Benefits

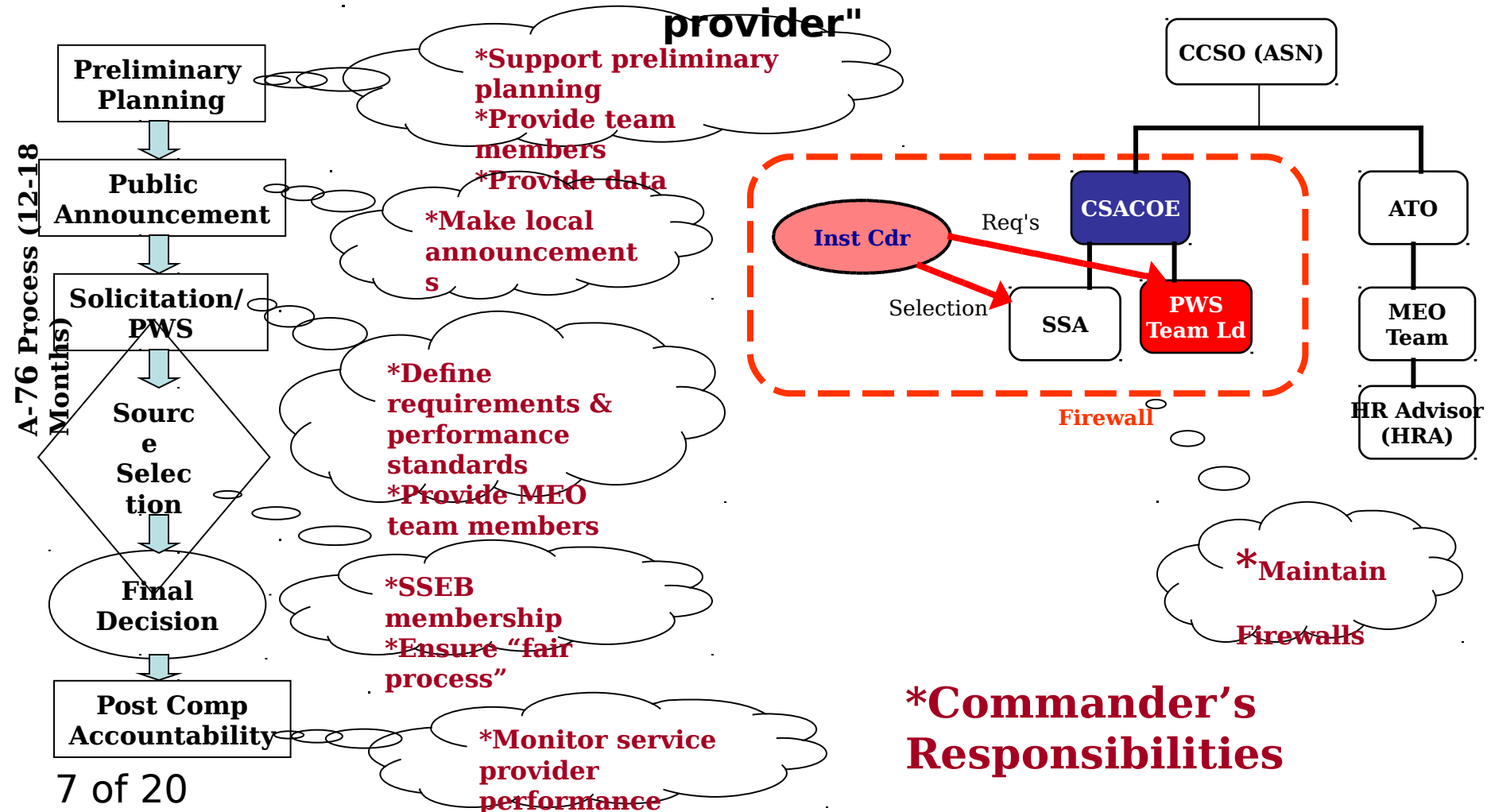
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- **Requirements are Defined**
- **Improves Performance**
  - Empowered MEO
  - Discipline (know impact of changes)
  - Metrics
- **Competition Drives Efficiencies**
  - Historically 30% savings – validated
- **A-76 Drives to a Conclusion**
- **Accountability (Annual Assessments)**



# Perspective on A-76

From “We are the service provider” to “Select the best service provider”





# A-76 Key Areas

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- **Preliminary Planning**
  - Defines Business Unit to be competed
  - No set timeline, but usually within 6 months
  - Courtesy announcement to Congress (Navy Policy)
- **PWS**
  - Higher HQ review (PWS-BOD)
  - Centralized PWS Team Leader (at Intermediate Commands - responsible for work that gets done)
- **Agency Tender (AT)**
  - Centralized AT Officer (at Regional Commands, responsible for getting the work done)
  - MEO still operates within Government regulations
- **Acquisition**
  - Competitive Sourcing Acquisition Center of Excellence (CSACOE) provides
    - Contracting Officer
    - Consultant Support
- **Post Performance Accountability**
  - Continuous performance monitoring
  - Combined with periodic assessments (see Monitoring MEOs slide)



# **Preliminary Planning Team**

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- **Begins with Courtesy Notification to Congress**
- **Fact Finding**
- **Market Analysis**
- **Labor Market Analysis**
- **Define Business Unit and Baseline Cost**
- **Final Report**
  - Defined business unit(s)
  - Roles & responsibilities of teams
  - Recommend competition officials
  - Recommend type of Competition w/milestones
- **Public Announcement (official start) of Competition and End to Preliminary Planning**



# PWS Team

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- **Members Not on the AT Team**
- **Acquisition Strategies**
  - **Approved by CSACOE (Contracting Officer)**
- **PWS Development**
  - **Performance based - NAVFAC template-tailored**
  - **Government furnished property**
    - **Requires CCSO approval**
  - **Post draft for public comment - highly recommended**
- **Quality Assurance Surveillance Plan**
  - **Can be part of the solicitation**
- **Quality Control Required Under A-76**





# Agency Tender (AT) Team

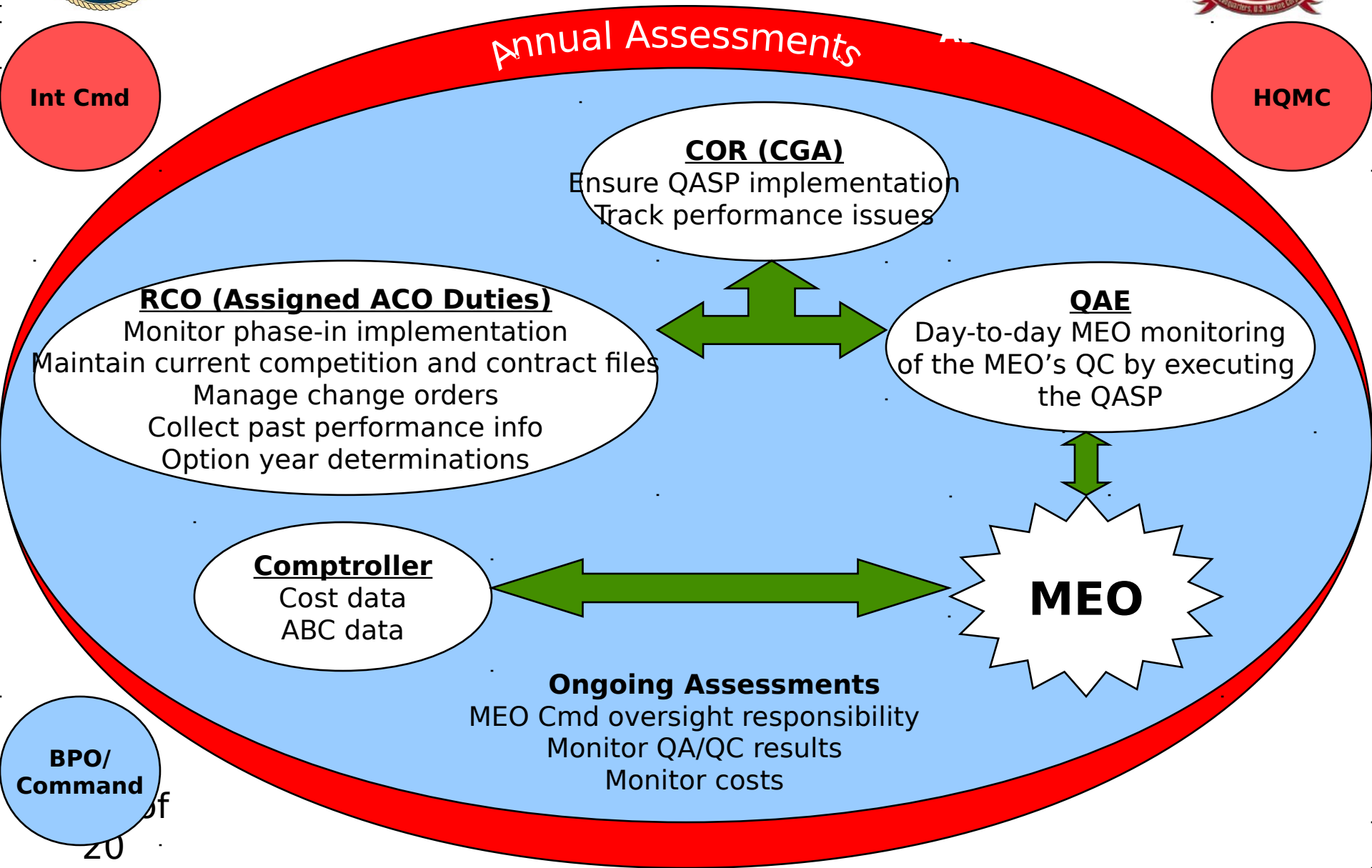
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- **Members Not on the PWS Team**
- **Agency Tender Official**
  - Assigned by and represents Sub-Regional Command
  - Manages AT development
  - Uses best practices or market research to achieve optimal organization
  - Primary concern is to build MEO which will best meet the requirements of the solicitation
- **Agency Tender Requirements**
  - Respond to the solicitation
    - MEO Staffing Plan
    - Cost Estimate
    - Quality Control Plan
    - Phase-in Plan
    - Any existing MEO subcontracts
  - Solicitations are generally:
    - Low cost technically acceptable
    - Mix of IDIQ and fixed price

**\*Don't get caught  
by what you know  
is true. Bid to  
the Solicitation!**



# Monitoring MEOs





# Future Competitions

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- **Budget Drives the Program, Priorities are:**
  - **MEO's not performing**
  - **Recompetitions - Extensions for a High Performing Organization (HPO)**
    - **PWS up to date**
    - **Market Conditions indicate MEO competitive**
    - **Meeting cost and performance**
  - **New competitions from Competition Candidate List**
- **New Competitions - Marine Corps List of Approved Commercial Activity Candidates**



# High Performing Organization (HPO)

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- **Requirements Document Required**
- **Business Process Re-engineering (BPR)**
  - Lean Six Sigma process would be acceptable
  - Draft DoD guidance establishes the program
  - Limited to 3 years post-MEO, 5 years new
- **Performance Accountability**
  - Performance metrics established or continued
  - Tracked via DCAMIS (OSD visibility)
  - Annual report
- **HPO Plans Shown on PB42 and Credit Toward Overall Accomplishment Pending Approval by OSD**



# **USMC Approved Competition Candidates**



## **I&L Processes:**

- **Supply Services**
  - Retail supply ops/DSSCs
  - Storage & warehousing
  - Fuels storage & dist
  - Military clothing
  - Personal property
- **Transportation**
- **Laundry Services**
- **Utilities**
- **Base Ops & Facilities O&M (re-competitions)**

## **All Other Processes:**

- **Telephone Systems (C4)**
- **EAP Maint (MCCDC)**

### **Competitions in Progress:**

- **Fuels at Miramar**
- **Laundry Services at MCRD Parris Island**

### **Priorities for future new competitions:**

- **Fuels Optimization - Other bases**
- **SWRFT - West Coast Transportation**
- **Telephone Systems - USMC**



# **Other Competition Candidates**

- **Utilities**
- **Garrison Property**
- **EEAP 29 Palms**
- **Telephone Communications**
- **Transportation**
- **SWRFT**

(Both SWRFT and Transportation dependent upon impact of USMC Enterprise Supply initiative)



# Recompetition Schedule

Managing Organization	Function	Exec. Pd Start	End Date (Last Pd)	MEO FTE	Start Prel. Plg	Start Prel. w 3 yrs	PP FY Start
MCB Quantico	Facilities	4/23/2003	4/22/2008	246	5/1/2007	<del>10/25/2009</del>	FY 07
MCAS Cherry Point	Facilities	10/1/2002	10/1/2005	202	4/4/2004	4/4/2007	FY 08
MCLB Albany	Environ.	10/1/2002	9/30/2005	14	4/3/2004	4/3/2007	FY 08
MCLB Albany	Facilities	2/11/2004	2/10/2007	52	8/14/2005	8/14/2008	FY 08
MCRD Parris Island	Facilities	3/1/2003	2/29/2008	98	9/1/2006	9/1/2009	FY 09
MCRD Parris Island	Motor T	7/21/2003	7/20/2008	34	1/22/2007	1/22/2010	FY 09
MCLB Barstow	Facilities	10/1/2001	9/30/2008	143	4/4/2007	4/4/2010	FY 10
MCAS Yuma	Facilities	1/4/2002	1/3/2009	99	7/8/2007	7/8/2010	FY 10
MCB Hawaii	Facilities	3/7/2004	3/7/2009	152	9/9/2007	9/9/2010	FY 11
MCAGCC 29 Palms	Facilities	12/1/2003	11/30/2010	66	6/3/2009	6/3/2012	FY 12
Lejeune	MISC	4/1/2005	4/1/2010	124	10/3/2008	10/3/2011	FY 12
Pendleton	Facilities	1/2/2005	1/2/2012	258	7/6/2010	7/6/2013	FY 13
MCRD San Diego	Env. &	2/1/2005	1/31/2013	72	8/4/2011	8/4/2014	FY 14
			<b>Total</b>	<b>1560</b>			



# A-76! Who else is involved?

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- **OSD**
  - They coordinate DoD policy, interact with OMB, and promote the program
- **CCSO**
  - ASN provides approval on authorities delegated to them.
- **HQMC**
  - Provides general program support to include competition funding for training, consultant support, USMC guidance or policy, PWS approval process, reporting
  - Any request or requirement for higher level approval goes through HQMC (LR)
- **Intermediate Commands**
  - Requirements definition (PWS) approval, reporting, functional funding, other guidance
- **Sub-Regions**
  - Provides Agency Tender Official (ATO), shares efficiency and performance management data
- **CSACOE**
  - Source selection and contracting
  - Consultant support contracts





# What to do if?

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- Educate and Train
  - DAU on-line course
  - Commercial courses
  - Navy courses as available
  - JIT training available as part of consultant support contracts
  - References
    - A-76, MCO 4860.3E (draft), DoD Costing Manual, Baseline Costing Guidance, Streamlined Guidance (if applicable)
- Identify Personnel
  - Preliminary Planning Team, PWS Team, AT Team, HR Official
  - Consultant support thru CSACOE and HQMC (LR), there will be different consultant companies for Preliminary Planning/PWS Development and the AT Teams (firewall issues)
- Identify Working Spaces
- Develop Communications Plan
- Kick-off Preliminary Planning (Following Courtesy Congressional Announcement)



# Issues of the Day

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- **HPO Packages (Cherry Point, Parris Island, Hawaii) all forwarded to ASN**
- **MCB Quantico finished Preliminary Planning**
- **MCAS Miramar and MCRD Parris Island has to revise the solicitation based on the need to consider retirement costs**
- **FUTURE of the Program (conflicted)**
  - **Funding**
  - **OSD Guidance**
  - **Competition**
  - **Administration Change**
  - **Current Administration reluctance to back**
  - **NDAA and Congressional Interest**
  - **Union opposition - Contracting Community silent**



# Summary

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- **A-76 is a Powerful Tool to Achieve Installation Efficiencies**
- **Installations have Major Roles in all Phases of the Program**
- **“Re-competitions” no longer “Required” but strongly encouraged. Unless there is reason to recompetete we will extend.**



# Back-Up



# USMC Program Record



Completion Schedule/Record for Announced Studies (updated 4/14/06)											
Location/Function	CAMIS #	Completed			MEO FTE	Decision Date	Conversion Date	MEO RVW Date	Last Perf End Date	Est. annual	
		CIV	MIL	TOT						Svgs (\$M)	Svgs %
MARFORPAC											
Pendleton/Facilities	MC20030001	408	13	421	258	3/15/04	1/2/05	11/4/05	1/2/12	8.7	30.6%
Pendleton FAP/ADMIN	MD20000003	0	22	22	Contract	10/1/00	10/1/01	N/A	N/A	0.3	24.6%
29 Palms/Facilities	MC20000735	116	22	138	66	9/3/03	12/1/03	10/28/05	11/30/10	4.1	39.8%
Hawaii/Facilities	MC20000736	203	35	238	152	7/1/03	3/7/04	4/4/05	3/7/09	5.2	25.8%
Yuma/Facilities	MC19990729	103	114	217	99	6/14/01	1/4/02	2/3/03	1/3/09	5.8	41.4%
MARFORLANT											
Cherry Point/Facilities	MC19990728	361	10	371	235	11/30/01	10/1/02	2/6/04	10/1/05	7.0	26.9%
Beaufort/Facilities	MC19990730	94	6	100	Contract	9/18/01	3/17/02	N/A	N/A	2.3	39.3%
Lejeune/Issue & Distribution	MD19990286	0	14	14	Contract	12/14/00	12/15/00	N/A	N/A	0.0	1.5%
Lejeune/Fuels	MD19990285	7	6	13	Contract	8/1/03	1/28/04	N/A	N/A	0.0	0.0%
Lejeune/Range Operations	MD19990284	0	45	45	Contract	6/1/03	11/28/03	N/A	N/A	0.1	30.9%
Lejeune/Real Prop. & GM	MC20030002	265	11	276	Contract	9/28/04	6/1/05	N/A	N/A	9.3	40.8%
Lejeune/Bachelor Housing	MC20030003	61	1	62	58	7/14/04	1/1/05		4/1/10	.1	5.7%
Lejeune/Waste & Recycling	MC20030004	25	0	25	19	6/21/04	1/1/05		4/1/10	.3	21.9%
Lejeune/FSSG	MC20030005	27	0	27	18	11/9/04	6/1/05		12/31/09	0.6	30.3%
Lejeune/Manpower Admin	MC20030006	8	17	25	16	11/9/04	6/1/05		12/31/09	0.3	33.8%
Lejeune/Motor Vehicle Maint	MC20030007	52	24	76	Contract	11/9/04	7/1/05	N/A	N/A	3.0	67.2%
Lejeune/Supply	MC20030008	38	15	53	13	11/9/04	6/1/05		12/31/09	1.8	73.0%
Lejeune/Range Management	MD20030001	3	16	19	Contract	5/24/03	12/1/04	N/A	N/A	0.8	11.1%
LOGBASES											
Albany/Facilities	MC19990731	113	15	128	52	12/11/01	2/11/04		2/10/07	4.4	52.0%
Albany/Environmental	MC19990732	21	0	21	14	8/13/01	10/1/02		9/30/05	1.1	28.5%
Albany/Architectural & Eng.	MD19990181	8	0	8	6	1/12/01	10/1/01	N/A	N/A	.1	21.5%
Barstow/Facilities	MC19990719	293	23	316	143	3/27/01	10/1/01	1/13/03	9/30/08	7.2	45.5%
TECOM											
Parris Island/Facilities	MC20000733	161	0	161	98	9/18/02	3/1/03	2/22/05	2/29/08	3.3	30.1%
Parris Island/Motor Transport	MC20000721	40	0	40	34	9/18/02	10/1/03	2/22/05	7/20/08	.3	10.2%
Parris Island/Museum	MD20000182	0	5	5	5	6/7/00	10/1/00	N/A	N/A	.0	0.0%
San Diego/Facilities	MC19990720	75	5	80	58	7/26/01	2/1/05		1/31/13	1.2	19.7%
San Diego/Grounds Maint.	MD19990186	17	0	17	Contract	8/1/00	2/5/01	N/A	N/A	.1	16.5%
Other											
Quantico/Facilities/Logistics	MC19990722	408	97	505	246	9/24/02	4/23/03	12/15/04	4/22/08	15.9	43.1%
Quantico/Housing Maint.	MD19990268	6	11	17	Contract	1/30/01	5/1/02	N/A	N/A	.3	23.2%
Quantico/Sludge Hauling	MD19990183	1	0	1	Contract	8/14/01	2/2/04	N/A	N/A	.0	15.9%
Quantico/Waste/Recycling	MD19990184	6	3	9	Contract	8/29/01	3/1/02	N/A	N/A	.7	90.3%
Quantico/Custodial Svcs	MD19990185	5	0	5	Contract	8/29/01	7/1/02	N/A	N/A	.1	53.5%
Quantico/Wrecker Services	MD19990002	0	6	6	Contract	11/2/00	10/1/03	N/A	N/A	.4	94.5%
HQBN/MRP	MC20000734	12	5	17	6	9/27/04	1/3/06		9/30/10	.7	53.7%
Garrison Food Svc	MDPRIV0001	0	594	594	Contract	8/1/02	10/1/02	N/A	N/A	27.9	19.6%
Total		2937	1135	4072	1,596						
Savings										~\$113.7	29.6%
									(some rounding error)		
							Without Direct Conversions			\$83.0	36.3%



# Commander's Role



- **Supports Preliminary Planning, PWS and AT Teams**
  - Team Membership
  - Space Requirements
  - Communication Plans
- **Provides Input Into Performance Requirements (PWS Development)**
- **Participates in Selecting Best Service Provider (Source Selection)**
- **Maintains Firewall Between PWS and AT Teams to Avoid Conflict of Interest**
- **Ensures Performance Meets the PWS Requirements Regardless of Service Provider Selected**
- **Reports on Program Performance**



# DCAMIS Data Reporting

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- DoD Commercial Activities Management Information System
  - Official report to OSD of A-76 competition actions
- Key Data Reported
  - In-Progress Data
    - Milestones
    - Cost to conduct the competition (reported in hours for the individuals conducting the competition)
    - Decision results
  - Transition Data
    - Personnel actions
    - Implementation reporting
  - Performance Data
    - FTE changes
    - Cost changes
    - Performance metrics achievement (Input NLT Annually)
- Activities (Usually the Business Performance Office) has Access to Read the Information and Forward Data to Their Intermediate Level Command.



# What Else is Important to Me?

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- **Currently There Are Numerous MEOs**
- **All Were Competed Under the Old Circular. They Fall Under the Same Standards as in the New Circular for:**
  - Performance monitoring. Programs run by Intermediate Commands but may be delegated to the base for activities achieving good performance.
  - Maintaining an accurate PWS
  - Recompeting
    - Activities should put in requests for 3 year extensions 1 to 1.5 years prior to the end of their last performance period
- **DoD Commercial Activity Management Information System (DCAMIS) input is generally done by your Intermediate Command however, data may be required of you (see back-up)**





# Useful Websites

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- **OMB** (<http://www.whitehouse.gov/omb>)
  - A-76 Circular
- **GAO** (<http://www.gao.gov>)
  - Reports, Bid Protest Decisions, A-76 Panel
- **OSD Share A-76** (<http://sharea76.fedworx.org>)
  - IGCA Inventory, COMPARE
- **DAU** (<http://www.dau.mil>) , (<http://clc.dau.mil>) and (<https://learn.dau.mil/html/clc/Clc.jsp>)
  - Continuous Learning A-76 Module CLC037
- **Marine Corps**  
(<http://hqinet001.hqmc.usmc.mil/i&L/v2/LR/LRHome.htm>)
- **Navy** (<http://competitivesourcing.navy.mil>)